

Friday 17 August 2018

Markets

SFE 200 Futures (9.30am AEST)	6280	-2	-0.0
NZX 50	9043	44	0.5
DJIA Futures	25572	-20	-0.1
S&P 500 Futures	2841	-4	-0.1
NASDAQ Futures	7373	-16	-0.2

Local Markets Commentary

The Australian market opens Friday trade following an overnight turn higher for key commodities and major international equities markets, and new data out of China.

Post-ASX trade yesterday, China reported a 19.3% year-on-year rise in July foreign direct investment (FDI), to \$US7.75B.

For the calendar year-to-date, FDI has risen 5.5% year-on-year to \$US76.07B.

In June, China's FDI had grown 5.8% year-on-year.

Locally today, Reserve Bank of Australia (RBA) governor Philip Lowe delivers the bank's half-yearly testimony to the House of Representatives' standing committee on economics from 9.30am AEST.

RBA assistant governor (economic) Luci Ellis is scheduled to also speak publicly, at the Australian National University (ANU), Canberra, 5.30pm AEST.

In overnight commodities trade, oil and LME base metals swung higher.

US gold futures settled lower.

The \$A pulled back to ~US72.60c after trading at ~US72.70c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25559	396	1.6
S&P 500	2841	22	0.8
NASDAQ	7807	32	0.4
FTSE 100	7556	59	0.8
DAX 30	12237	74	0.6
Shanghai Comp	2705	-18	-0.7

Overseas Markets Commentary

Major European and US equities markets opened higher overnight, improved sentiment ensuring positive settlements despite some notable NASDAQ and DAX 30 choppy trade.

Earlier, China responded with a qualified acceptance to a US invitation to resume trade talks, and had also reported positive investment figures.

China's Ministry of Commerce appeared keen to point out that it was only interested in US trade discussions underscored by 'equality and integrity' and that China opposed 'unilateralism and trade protectionism'.

The resumption of official discussions, reportedly later this month, will be headed by China's vice commerce minister and the US treasury's international affairs undersecretary.

The potential for new negotiations supported major

RBA – governor meets with the House of Reps' economics committee

Today's Stock Watch

Goodman Group (GMG)

41.1% higher, \$1.098B full year NPAT. 4.9% higher \$2.67B revenue. 14.25c final dividend, up 1.05c (8%). \$4.641 NTA.

Link Administration Holdings (LNK)

67% higher, \$141.66M NPAT. 54% higher, \$1.198B revenue. 6.5c fully franked final dividend, against 8c a year ago.

Abacus Property Group (ABP)

15% lower, \$243.7M full year NPAT. 2% higher, \$473.7M income. 9c final distribution, previously declared. \$3.18 NTA.

Kogan.com Ltd (KGN)

277.3% higher, \$14.1M full year NPAT. 42.4% higher, \$412.3M revenue. 6.1c fully franked final dividend. \$42.6M net cash. 44c NTA. AGM scheduled for 16 November.

Ausdrill Ltd (ASL)

Resuming from a trading halt having completed a \$175M, \$1.47-per-share institutional entitlement offer in support of the proposed Barminco acquisition.

A retail entitlement offer at the same price is scheduled for 21 August (Tuesday next week) – 5 September.

ASL last traded at ~\$1.633.

Downer EDI (DOW)

Credit Suisse has reassessed DOW as outperform, from neutral.

Treasury Wine Estates (TWE)

Morgan Stanley has re-rated TWE as equal-weight, from overweight.

Vita Group (VTG)

4.4c fully franked final dividend, against 7.4c a year ago. 44.3% fall in full year NPAT to \$21.95M.

2.6% higher, \$684.5M revenue.

Hansen Technologies (HSN)

4c fully franked final dividend, up 33.3%. 20.8% higher, \$A28.85M full year NPAT. 32.1% higher, \$A230.82M revenue.

MyState Ltd (MYS)

Flat, 14.5c fully franked final dividend. 4.6% higher, \$31.46M full year NPAT. 1.4% higher, \$126.34M operational income. \$2.54 NTA.

Resources

Evolution Mining (EVN)

21% higher, record \$263.39M full year NPAT.

4% higher, record \$1.54B sales revenue.

4c fully franked final dividend, up 33.3%.

\$1.35 NTA. \$71.8M net bank debt, against \$397.6M a year ago.

Promising a three-year outlook at a 4 September investor day in Sydney.

OceanaGold Corporation (OGC)

South Carolina, US Haile gold project brownfields drilling has returned several significant width and/or grade assays.

Details lodged post-trade yesterday.

OGC has traded lower the past four sessions, yesterday dropping 4.9% to settle at \$3.85.

industrial stocks overnight.

Meanwhile, Turkey's lira continued to recover some against the \$US, helping boost some confidence in the euro zone banking sector.

Among **euro zone** data releases, the June trade surplus was calculated at €16.7B after imports rose 8.6% and exports by 5.7%.

In the **UK**, July retail sales pleased, rising 0.7% for the month, following a 0.5% fall in June and forecasts of a 0.2% increase.

On a year-on-year basis, sales improved 3.5%, following forecasts of 3.0% and June's 2.9%.

Across the Atlantic, **US** July housing starts were estimated 0.9% higher.

Building permits rose 1.5% for the month and 4.2% against July 2017.

A Philadelphia region manufacturing index dropped by 13.8 to 11.9, the lowest level since November 2016.

Weekly new unemployment claims came in 3000 lower than anticipated, at 212,000.

Tonight in the US, a leading economic index report from the Conference Board and an initial August consumer sentiment reading from the University of Michigan are due.

Companies due to report earnings include Deere & Co, Lithium Corp, Shandong Iron & Steel (interim), SOHO (interim), UniCredit Bank and Wynn Macau (interim).

In overnight corporate news, US retailers' fortunes varied.

Walmart was pushed 9% higher on the best US quarterly same-store sales in 10 years, and higher full year guidance.

JC Penney slid more than 25% however, on a worse-than-feared quarterly loss.

Network specialist **Cisco Systems**, which had reported post-Wednesday US trade, appreciated ~3% after exceeding profit and revenue expectations.

Hedge fund buying reportedly turned online security specialist **Symantec** higher, by ~4.5%.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1181	oz	-4	-0.3
Silver (NY) (Sep)	14.6	oz	0.2	1.2
Gold (LON)	1180	oz	-2	-0.1
Platinum	778	oz	11	1.4
WTI Crude (Sep)	65.46	bbl	0.45	2.4
Brent Crude (Oct)	71.43	bbl	0.67	0.9
Iron Ore (CHN port 62%)	67.7	t	-0.5	-0.7
Copper (LME, 3mth, PM)	5938	t	137	2.4
Nickel	13325	t	475	3.7
Aluminium	2048	t	23	1.1
Lead	2040	t	113	5.9
Zinc	2392	t	92	4.0
Tin	18615	t	210	1.1
CBT Wheat (Sep)	5.62	bshl	0.1	1.9

Commodities Commentary

Oil – China's acceptance of an invitation to talk trade with the US, in the US later this month, appeared to boost overnight optimism, helping turn crude prices higher.

Pre-Open Announcements

Platinum Capital (PMC)

0.85% higher, \$A50.35M full year NPAT. 2.23% higher, \$A78.81M investment income.

HUB24 Ltd (HUB)

Planning to lodge FY 2018 results pre-trade Monday and to host a live webcast briefing commencing 10.30am AEST that day. Access details lodged this morning.

Fletcher Building (FBU)

Planning to lodge full year results Wednesday next week and to host a webcast teleconference from 9am AEST that day.

Access details lodged post-trade yesterday.

Speedcast International (SDA)

Planning to lodge interim results 28 August and to host a teleconference from 10am AEST that day.

Access details lodged this morning.

Resources

Nkwe Platinum (NKP)

Recommending a proposed 10c cash-per-share acquisition by NKP's largest shareholder Zijin.

Zijin initially proposed 8c per share.

NKP is resuming from a trading halt having last traded Wednesday, at 6.7c – 7c, settling a 7c.

Sultan Resources (* SLZ)

Multi-minerals explorer completed its ASX listing yesterday following a \$4.8M IPO at 20c per share.

Opened at 19.5c and traded at 18.5c – 20c before settling at 19c. 2.77M shares changed hands across 96 transactions.

26M quoted securities.

Nickel Mines (* NIC)

Miner scheduled to list midday AEST Monday following a \$200M IPO at 35c per share.

\$US9.15M nickel ore sales revenue for the half year to 31 December 2017. \$US635,888 net loss. ~\$US17.6M cash and equivalents.

1.046B quoted securities.

Energy

Karoon Gas Australia (* KAR)

KAR has appointed non-executive director Peter Turnbull as interim chair, following the death of David Klingner.

Strike Energy (* STX) / Energy World Corporation (* EWC)

Southern Cooper Basin gas project PEL96 Jaws-1 appraisal wells are flowing water at 1100bbl/d.

STX 66.7% and operator; EWC 33.3%.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ABP	Full year
	EVN	Full year
	GMG	Full year
	IFN	Full year
	KGN	Full year
	LNK	Full year



A US weekly petroleum drill rig count is due tonight.

Gold – prices headed higher intra-session, in part attributed to bargain basement buying. Comex December futures settled lower again, however.

Base metals – supported by hopes for new US-China trade talks and select data overnight.

Lead benefited from reports (including from early-week) of supply concerns ahead of the northern hemisphere winter, when battery materials demand increases.

Post-ASX trade yesterday, China revealed an almost 29% year-on-year July increase in foreign direct investment.

Yesterday, figures out of Japan disappointed.

A 3.9% year-on-year rise in July exports contrasted with a 14.6% jump in imports.

This followed respective 6.7% and 2.6% figures for June.

The July trade surplus fell to ¥231B from ¥721B.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7263	0.0001	0.02
EUR – USD	1.1375	-0.0000	-0.00

Australian Data Today

RBA Bi-annual parliamentary testimony Aug

US Data Tonight

Conf Board leading economic indicators Jul

Uni of Michigan consumer sentiment (prelim) Aug

Other Overseas Data Today & Tonight

Japan Tankan index Aug

Euro zone CPI (final) Jul

Need More Information?

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Mon		
	ALU	Full year
	ANN	Full year
	BPT	Full year
	FMG	Full year
	GXL	Full year
	HUB	Full year
	IMD	Full year
	NHF	Full year
	OML	Interim
	PRY	Full year
	SYD	July
	VG1	Full year
	WOW	Full year

Tue		
	AHY	Interim
	BHP	Full year
	EHL	Full year
	FXL	Full year
	HSO	Full year
	MND	Full year
	SXY	Full year
	SWM	Full year

Wed		
	ABC	Interim
	APA	Full year
	ARB	Full year
	AAD	Full year
	BAP	Full year
	CAR	Full year
	CWY	Full year
	CCL	Interim
	CTD	Full year
	FBU	Full year
	ING	Full year
	LOV	Full year
	MMS	Full year
	NCM	Full year
	SBM	Full year
	SAR	Full year
	SIQ	Interim
	SPK	Full year
	SYD	Interim
	TRS	Full year
	TME	Full year
	WSA	Full year
	WTC	Full year
	WOR	Full year

Thu		
	AIZ	Full year
	APN	Interim
	AIA	Full year
	BLY	Interim
	EVT	Full year
	FPH	AGM
	FLT	Full year
	IRE	Interim
	NEC	Full year
	NZM	Interim
	QAN	Full year
	QUB	Full year
	RCR	Full year
	STO	Interim
	SIQ	Interim

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S32	Full year
SXL	Full year
SGP	Full year
VRL	Full year
WEB	Full year

Trading Halts

Company	Code	Resuming
Calima Energy	CE1	17 Aug
Cassini Resources	CZI	17 Aug
Tap Oil	TAP	17 Aug
Caeneus Minerals	CAD	20 Aug
Castillo Copper	CCZ	20 Aug
Gascoyne Resources	GCY	20 Aug
Poseidon Nickel	POS	20 Aug
Sihayo Gold	SIH	20 Aug
Wide Open Agriculture	WOA	20 Aug
Surefire Resources	SRN	21 Aug

Suspensions *(select)*

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Challenger Energy	CEL	7 Aug
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Eastern Goldfields	EGS	25 Jul
Lanka Graphite	LGR	3 Aug
Omni Market Tide	OMT	31 Jul
Queensland Bauxite	QBL	1 Aug
RCR Tomlinson	RCR	1 Aug
Sumatra Copper & Gold	SUM	27 Jul
Syntonic Ltd	SYT	3 Aug
Tikforce Ltd	TKF	24 Jul
Wolf Petroleum	WOF	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DDR	Today	4.4	100	5.64
DHG	Today	4	70	2.25
GCS	Today	2.5	100	6.16
SRG	Today	4.5	100	3.72
DMP	Mon	49.7	75	1.93
FSI	Mon	4	100	4.47
IFL	Mon	27	100	6.22
WES	Mon	120	100	4.25
CPU	Tue	21	100	2.10
FXJ	Tue	1.8	50	3.33
IAG	Tue	20	100	4.26
IAM	Tue	1.7	100	2.54
REA	Tue	62	100	1.21
AGL	Wed	63	80	5.47
AMP	Wed	10	50	7.12
MGX	Wed	3	100	5.94
PGH	Wed	11.5	65	5.45
BBN	Thu	2.5	100	2.18
JBH	Thu	46	100	5.04
KOV	Thu	7	100	4.53
QBE	Thu	22	30	tbc
WPL	Thu	53	0	3.17
ARG	Fri	16	100	3.80